

UTAH STATE DEPARTMENT OF NATURAL RESOURCES

**Division of Oil, Gas and Mining**

1594 West North Temple Suite 1210

Box 145801

Salt Lake City, Utah 84114-5801

Telephone: (801) 538-5291

Fax: (801) 359-3940

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UTAH MINED LAND RECLAMATION ACT

Chapter 8, Title 40

Utah Code Annotated

Amended 1987

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**TRANSFER OF NOTICE OF INTENTION**

**SMALL MINE OPERATION**

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EXPLORATION

Name of Small Mine: GREEN BEETLE

File Number as Assigned by DOGM (Original Notice): 5/003/017

Legal Description (Location of Lands Affected):

<u>SE 1/4</u> 1/4 1/4 1/4	<u>36</u> Section	<u>11 N.</u> Township	<u>16 W</u> Range	<u>BOX ELDER</u> County
<u>SE 1/4 NE 1/4</u> 1/4 1/4 1/4	<u>1</u>	<u>10 N.</u>	<u>16 W</u>	<u>BOX ELDER</u>
<u>W 1/2 NW 1/4</u>	<u>31</u>	<u>11 N.</u>	<u>16 W</u>	<u>BOX ELDER</u>

CURRENT OPERATOR

Name of Company/Operator: WILLIAM L BOWN

Address: 842 WEST 400 NORTH

City: WEST BOUNTIFUL State: UTAH Zip Code: 84087

Telephone Number: (801) 295-0601 Fax: ( ) SAME AS AT LEFT

Signature: William L Bown

Name (Type or Print): WILLIAM L BOWN

Title/Position: \_\_\_\_\_ Date: 8-16-07

I hereby transfer the notice of intention and the reclamation obligation for the aforementioned small mine to:

NEW OPERATOR

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Name of Company/Operator: PARK VALLEY QUARTZITE, LLC  
Address: PO 836 Park Valley  
City: J State: Ut Zip Code 84329  
Telephone Number: (435) 279-~~55~~ 3016 Fax: (435) 871 4215

Please initial and check the following boxes to complete this page

RL ☒ I have provided the Division a fully executed and signed Reclamation Contract (Form MR-RC) and an acceptable form of reclamation surety.

RL ☒ I hereby commit to conduct mining /exploration operations and to reclaim the aforementioned small mine as required by the Utah Mined Land Reclamation Act (40-8) and Minerals Rules R647-2 et. seq. as promulgated and approved by the Board of Oil, Gas and Mining.

Royce Larsen  
Signature (New Operator)  
Royce Larsen  
Name (Type or Print)  
President  
Title/Position

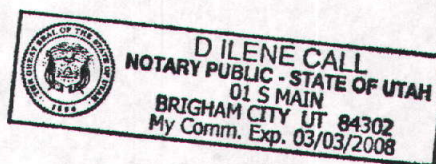
Subscribed and sworn before me this 16 day of Aug, 20 07

D. Ilene Call  
Notary Public

My Commission Expires:

3-3, 20 08

State of Utah )  
County of Box Elder ) ss.



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## DIVISION APPROVAL CERTIFICATION

This is to certify that I have examined this application for transfer of the aforementioned small mine and do hereby grant approval of the same, subject to the following limitations:

- (a) This transfer of a mining permit grants only the right to affect the lands as legally described in this application.
- (b) The transferee has provided the Division a fully executed and signed Reclamation Contract (Form MR-RC) and an acceptable form of reclamation surety. The surety shall be effective on or before the date of transfer.
- (c) The transferee, or such other person as required by UCA 1953, Title 40-8, as amended, has acquired the legal right to enter and conduct exploration activities on the lands as described in this application.
- (d) A topographic map of suitable scale is attached (as Appendix "A") which clearly outlines and labels the existing disturbed area boundaries of this exploration project through the date of this transfer.

COMMENTS:

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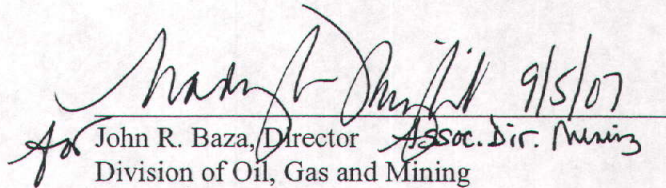
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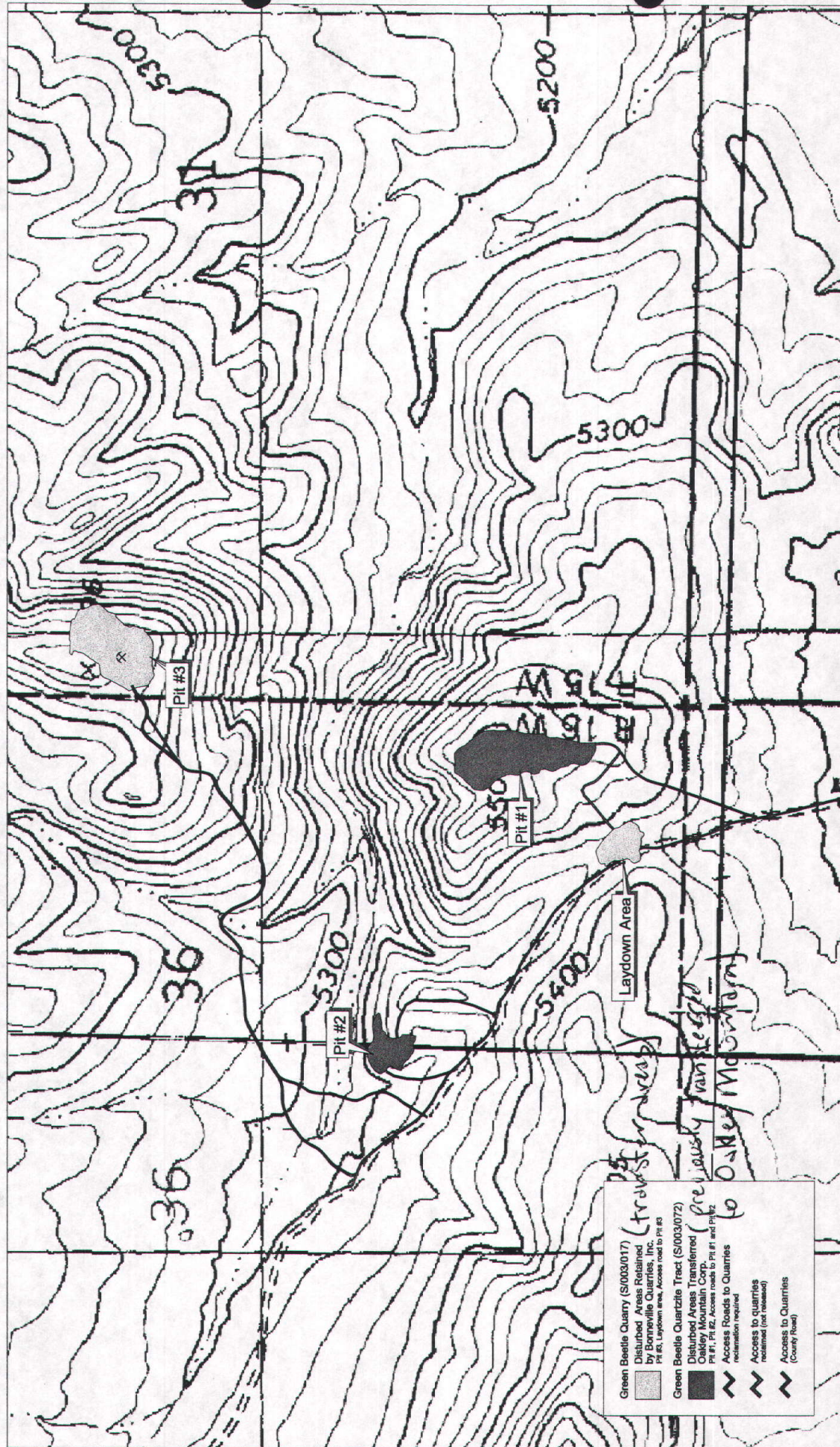
APPROVED BY:

 9/5/07  
for John R. Baza, Director Assoc. Dir. Mining  
Division of Oil, Gas and Mining

Effective Date: \_\_\_\_\_

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Green Beetle Quarry (S003017)  
 Disturbed Areas Retained  
 by Bonneville Quarries, Inc.  
 Pit #1, Laydown area, Access road to Pit #3  
 Green Beetle Quartzite Tract (S0030172)  
 Disturbed Areas Transferred  
 Oakley Mountain Corp.  
 Pit #1, Pit #2, Access roads to Pit #1 and Pit #2  
 Access Roads to Quarries  
 reclamation required  
 Access to quarries  
 reclamation (not required)  
 Access to Quarries  
 (County Road)

<p>Dept. of Natural Resources          Division of Land &amp; Mining          Mineral Reclamation Program</p>	<p>Portions of:          SW 1/4, SW 1/4, NW 1/4 of Sec 31          Township 11 North, Range 15 West, S.B.M.          SE 1/4, SE 1/4, NE 1/4 and the SE 1/4 of Section 36          Township 11 North, Range 16 West, S.B.M.          NE 1/4, NE 1/4, NE 1/4 of Sec 31          Township 10 North, Range 16 West, S.B.M.          Box Elder County, Utah</p>	<p>Bonneville Quarries, Inc.          Green Beetle Quarry          S003017</p>
	<p>Transfer Map #1</p>	<p>November 1, 2005</p>

*Immigrant trail to highway 30*



North arrow and  
 West Virginia 1000 Feet

Offshore deep seafloor and reef areas  
 may cause misalignment of data layers.  
 Please refer to the metadata for  
 additional information.



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**DEPARTMENT OF NATURAL RESOURCES**  
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**SMALL MINE RECLAMATION CONTRACT**

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between **Park Valley Quartzite, LLC** the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. **M/003/017** which the Operator has filed with the Division and has been determined by the Division to be complete (Complete NOI) as required by the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the lands affected by the mining operations in accordance with the Act and the regulations, and is obligated to provide a surety in a form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to promptly reclaim in accordance with the requirements of the Act and applicable regulations, as they may be amended, all of the lands affected by the mining operations conducted or to be conducted pursuant to a Complete Notice of Intention.
2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:
  - A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private on-site ways, roads, railroads; land excavations; drill sites and

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workings; refuse banks or spoil piles; evaporation or settling ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, and waste discharge areas, structures, and facilities; and

- B. All mining disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the Complete NOI; provided lands may be excluded only if: (1) they were disturbed by mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with a complete notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the mining operations as described in the Complete NOI.
- 3. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI which are intended to assist in determining the location of the mining operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.
  - 4. The Operator prior to commencement of any mining operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as **ATTACHMENT A** to this Contract.
  - 5. If the Surety expressly provides for cancellation or termination for non-renewal:
    - A. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or
    - B. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further mining activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or any other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety

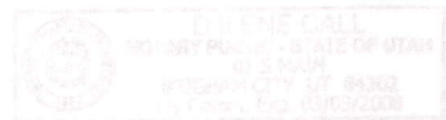


for the purpose of fully satisfying all of the reclamation obligations incurred by the Operator prior to the date of termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the mining operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.

6. The Operator's liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by mining operations in accordance with the Act and regulations, as amended. If the mining operations are modified or for any other reason vary from those described in the Complete Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.
7. If reclamation of a substantial phase or segment of the Lands Affected by the mining operations is completed to the satisfaction of the Division, and the Division finds that such substantial phases or segments are severable from the remainder of the mining area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining mining operations as anticipated by the Complete Notice of Intention in accordance with the requirements of the Act and regulations, as amended.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the applicable rules.
9. Operator agrees to pay all legally determined public liability and property damage claims resulting from mining operations, to pay all permit fees, to maintain suitable records, to file all required reports, to permit reasonable inspections, and to fulfill all sundry reporting requirements applicable to the mine as required by the Act and implementing rules.
10. Operator agrees to indemnify and hold harmless the State, Board, and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
11. If Operator shall default in the performance of its obligations hereunder, Operator shall be liable for all damages resulting from the breach hereof including all costs, expenses, and reasonable attorney's fees incurred by the Division and/or the Board in the enforcement of this Contract.



12. Any breach of a material provision of this Contract by Operator may, at the discretion of the Division, in addition to other remedies available to it, result in an order by the Division requiring the Operator to cease mining operations, and may thereafter result in an Order, subject to an opportunity for notice and hearing before the Board, withdrawing and revoking the Notice of Intention, and requiring immediate reclamation by the Operator of the Lands Affected or forfeiture of the Surety.
13. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount that is required to comply with this Contract. Upon completion of the reclamation of all of the Lands Affected, any excess monies resulting from forfeiture of the Surety shall be returned to the rightful claimant.
14. The Operator shall notify the Division immediately of any changes in the Operator's registered agent, the Operator's address, form of business, name of business, significant changes in ownership, and other pertinent changes in the information required as part of the Notice of Intention. Notwithstanding this requirement, any changes to the Notice of Intention, and any errors, omissions, or failures to fully or accurately complete or update the information on the Notice of Intention, or the attached maps, shall not affect the validity of this Contract and the rights of the Division to enforce its terms.
15. If requested by the Division, the Operator shall execute addendums to this Contract to add or substitute parties, or to reflect changes in the Operator, Surety, and otherwise modify the Contract to reflect changes in the mining operations as requested by the Division. All modifications must be in writing and signed by the parties, and no verbal agreements, or modifications in any of the terms or conditions shall be enforceable.
16. This Contract shall be governed and construed in accordance with the laws of the State of Utah.



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